

1999 Session

FISCAL ESTIMATE

☒ ORIGINAL ☐ UPDATED

DOA-2048 N(R10/98)

☐ CORRECTED ☐ SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.

AB 13

(99-0358/1)

Amendment No. if Applicable

Subject

Sales Tax Exemption for Personal Emergency Response Systems

Fiscal Effect

State: ☐ No State Fiscal Effect
 Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation

- ☐ Increase Existing Appropriation ☐ Increase Existing Revenues
☐ Decrease Existing Appropriation ☒ Decrease Existing Revenues
☐ Create New Appropriation

☐ Increase Costs - May be Possible to Absorb
 Within Agency's Budget ☐ Yes ☐ No

☐ Decrease CostsLocal: ☐ No Local Government Costs

1. ☐ Increase Costs
☐ Permissive ☐ Mandatory
 2. ☐ Decrease Costs
☐ Permissive ☐ Mandatory

3. ☐ Increase Revenues
☐ Permissive ☐ Mandatory
 4. ☒ Decrease Revenues
☐ Permissive ☒ Mandatory

5. Types of Local Governmental Units Affected:

- ☐ Towns ☐ Villages ☐ Cities
☒ Counties ☒ Others Stadium District
☐ School Districts ☐ WTCS Districts

Fund Sources Affected

☒ GPR ☐ FED ☐ PRO ☐ PRS ☐ SEG ☐ SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate

This bill creates a tax exemption for telecommunications services that allow persons to communicate with a health care facility when they need medical attention. These services are commonly known as Personal Emergency Response Systems (PERS).

A 1997 Department of Revenue phone survey of 25 Wisconsin health care facilities and of national distributors of PERS revealed that approximately 22,000 state residents use PERS. Subscribers pay an average of \$420 per year (or \$35 per month) to use these services. An additional one-time set-up fee averaging \$50 is also charged. Industry studies conducted by *Home Tech Systems* found that unit turnover occurred every 16 months. Therefore, the set-up fee applies to two-thirds of the units in any given year; nearly 15,000 units were set-up in 1998 (22,000 x 2/3). The state sales tax revenue lost from exempting PERS subscriptions would be approximately \$500,000 ((22,000 x \$420 x .05) + (15,000 x \$50 x .05)).

In 1997, county and Southeastern Wisconsin Professional Baseball Park District sales tax revenues were 6.25% of state sales tax revenues. Assuming that this percentage applies, local sales tax revenues would decline by approximately \$31,000 (\$500,000 x .0625) annually.

Long-Range Fiscal Implications

Agency/Prepared by: (Name & Phone No.)

Wisconsin Department of Revenue

John T. Stott, (608) 266-9706

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Yeang-Eng Braun

(608) 266-2700

Date

2/5/99

1999 Session

**FISCAL ESTIMATE
DOA-2047 N(R10/98)**

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LRB or Bill No./Adm. Rule No.

Amendment No.

AB 13

Subject

Sales Tax Exemption for Personal Emergency Response Systems

I. One-Time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

II. Annualized Costs:		Annualized Fiscal Impact on State Funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringe		\$	\$ -
(FTE Position Changes)		(FTE)	(- FTE)
State Operations-Other Costs			-
Local Assistance			-
Aids to Individuals or Organizations			-
TOTAL State Costs by Category		\$	\$ -
B. State Costs by Source of Funds			
GPR		\$	\$ -
FED			-
PRO/PRS			-
SEG/SEG-S			-
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		Increased Rev.	Decreased Rev.
GPR Taxes		\$	\$ - 500,000
GPR Earned			-
FED			-
PRO/PRS			-
SEG/SEG-S			-
TOTAL State Revenues		\$	\$ - 500,000

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$	\$
NET CHANGE IN REVENUES	\$ - 500,000	\$ - 31,000

Agency/Prepared by: (Name & Phone No.)	Authorized Signature/Telephone No.	Date
Wisconsin Department of Revenue	Yeang-Eng Braun	2/5/99
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